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COMPTROLLER GENERAL OF THE UNITED STATES  
WASHINGTON, D.C. 20548

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Dear Mr. Lent:

By letter dated November 15, 1971, you requested our office to provide you with information on organizational changes of the Federal Aviation Administration (FAA) discussed in a letter to you from Mr. Frederick Lee, an employee of the Flight Standards Division of FAA's Eastern Regional Office in Jamaica, New York. Mr. Lee complained of the costs involved in such organizational changes and of the problems in relocating employees. The following information on recent FAA organizational changes was developed at FAA headquarters.

In the early 1960's, FAA's field management structure in the 48 contiguous States consisted of five regional offices that directed the operation of numerous field offices and facilities. In 1965 FAA established 18 area offices to fulfill its need for an intermediate management level between its regional and field offices; five area offices were located at FAA regional offices and 13 were located in other major cities. Under the area office concept, FAA field managers were moved closer to the activities for which they were responsible. FAA officials informed us that the establishment of area offices did not involve changes in staffing levels, although it did require the relocation of over 1,000 employees at a cost of about \$600,000. They also advised us that annual operating costs did not change materially with the establishment of area offices.

During fiscal year 1969, to accommodate an increasing workload within tight personnel and funding limitations, the five area offices located at the regional offices were abolished by FAA, and their functions were either discontinued by FAA or absorbed by the regional offices. At the same time, certain functions of the other 13 area offices were discontinued. FAA officials advised us that the above actions resulted in a reallocation of 276 employee positions, principally from area office administrative functions, to FAA operating activities.

In the latter part of fiscal year 1969, the President announced the establishment of 10 common regional office locations for five Federal agencies with related activities. The President requested that any changes in field organizations by other Federal agencies be consistent with his ultimate goal of uniform boundaries and field office locations for all social and economic programs requiring interagency or intergovernmental coordination.

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In July 1969, soon after the President's announcement, the Secretary of Transportation requested that FAA and other departmental agencies review their organization and functions to determine if the agencies could effectively accommodate the President's standard regional alignment. FAA concluded that it could adopt a modified version of the standard alignment. To accomplish its modified alignment, FAA converted four of the 13 remaining area offices to full regional offices. The other nine area offices were closed and area coordinators were placed at these locations to provide a principal point of contact with the public, State, and local organizations, and the aviation community.

In September 1969, FAA estimated that the regional reorganization would involve a total one-time cost of about \$12 million; including the cost to relocate about 1,900 employees, severance pay for about 400 employees electing not to relocate, and the cost of office space adjustments. FAA officials advised us that changes have been made to the September 1969 plans which will reduce these costs, but that a revised cost estimate had not been prepared.

As a result of the reorganization, FAA expects to decrease its costs by about \$8.3 million a year through the elimination of 526 field positions. Much of the reduction stems from elimination of the area office management level. Under the reorganization, FAA expects to work more effectively with other Federal agencies and State and local authorities on mutual problems of pollution, noise abatement, and mass high-speed transportation.

With regard to the effect of the reorganization on the Flight Standards Division of the Eastern Regional Office where Mr. Lee is employed, FAA officials informed us that less than 30 employees will probably be required to relocate from the New York-New Jersey area as a result of the reorganization. These employees will probably be assigned to recently established regional offices in Boston or Chicago.

We trust that this information will serve your purpose.

Sincerely yours,



Comptroller General  
of the United States

The Honorable Norman F. Lent  
House of Representatives